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ARIZONA CORPORATION COMMISSION

November 19, 2007

Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Jeff Hatch-Miller
Commissioner Gary Pierce

Re: Reconsideration of Decision No. 68858; Arizona-American Water Company, Paradise Valley District; Docket Nos. W-01303A-05-0405 and W-01303A-05-0910

Dear Colleagues:

I have reviewed the various letters filed in this docket requesting that the Commission commence a proceeding pursuant to ARS § 40-252 to reconsider Decision No. 68858, specifically to address the recovery period for fire-flow improvements that were originally requested by the Town of Paradise Valley.

The Commission's decision not to amortize the fire-flow improvements over 30 to 40 years has clearly caused rate shock for many Paradise Valley customers.

Therefore, after much consideration of this matter, I am amenable to a reconsideration of Decision No. 68858 pursuant to ARS § 40-252 to reconsider the amortization period for fire-flow improvements. I am particularly interested in addressing modifications of Decision No. 68858 that will result in benefits for residential customers.

I would encourage the Parties, including the Company, Staff, RUCO, the Town of Paradise Valley, and any intervenors, to confer on these issues prior to a hearing in this matter so as to properly limit the scope of the proceedings.

I look forward to discussing this with you at an upcoming Commission Staff Meeting.

Sincerely,

Kris Mayes
Commissioner

Cc: Dean Miller
Ernest Johnson
Chris Kempley
Lyn Farmer
Rebecca Wilder
Parties to the Docket

Arizona Corporation Commission

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